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INTERNATIONAL ECONOMIC COMPARISONS

U.S. international competitiveness showed signs of improving in 1988 over that of earlier years. U.S. exports rose in 1988 by 24 percent, representing one third of the increase in world trade. Expanding exports indicated apparent gains in U.S. price competitiveness, and an increase in demand owing to higher incomes abroad.

The price competitiveness of U.S. products was bolstered by the 1985–87 depreciation of the dollar, improvement in productivity, and moderation in the rise of domestic prices and wages. Significant relative cost advantages in unit labor costs were realized, providing a stimulus to U.S. export growth. The real effective exchange rate index of the dollar, published by the International Monetary Fund (IMF), depreciated 36.4 percent in 1988 compared with that in 1985. Approximately 60.0 percent of this relative cost advantage was passed through to U.S. export prices, thus it translated into a 22-percent price advantage for U.S. products in the same time span.

U.S. exports of manufactures increased 25 percent in 1988, with growth being spread over a wide range of manufacturing industries. Automatic data processing equipment exports gained 23 percent; industrial supplies and materials exports, 27.8 percent; exports of capital goods (excluding automotives,) 27 percent; automotive exports, 19.5 percent; consumer goods exports, 31 percent; and exports of other manufactures, 24 percent.

In addition, U.S. exports of manufactures expanded to most destinations in 1988. Exports to Canada increased 18.0 percent; to Western Europe, 27.0 percent; and to Japan, 34 percent. Manufactured exports to newly industrialized economies (NIEs) in Asia were particularly strong, rising 48 percent; to Latin America they increased 24 percent, and to the rest of the world 22 percent.

The World Economic Outlook published by the IMF shows the 1988 GNP/GDP in real terms increasing by an average of 4.1 percent in industrial countries; business investment rising 11 percent; and prices increasing 3.2 percent. The IMF report also found that the real GNP/GDP of developing countries expanded by an average of 4.3 percent in 1988. Asian countries achieved higher growth rates than African and Latin American countries.

The IMF also reported a rise in world trade by 9.3 percent in 1988 and an improvement in international imbalances. This includes the declines of the U.S. current account deficit from $154 billion in 1987 to $135 billion in 1988 and of Japan's current account surplus from $87 billion to $80 billion.

For the first quarter of 1989, signals on the U.S. economy are mixed. According to revised figures of the U.S. Department of Commerce, real GNP grew at a 4.3 percent annual rate—the lowest in more than two years. Although some economists interpreted this sluggish growth as a sign of upcoming recession, others considered it only a "cooling off," engineered by the Federal Reserve Bank's tight monetary policy. The slowdown of the U.S. GNP was caused by a sharp drop in business inventory, that was caused, in turn, by higher interest rates. In addition, consumer spending increased by 1.1 percent compared with a 3.5-percent increase in the fourth quarter of 1988. The rate of inflation was 5.0 percent.

As to the encouraging signals on the U.S. economy, final sales in real terms (a measure of the strength of final demand) increased 3.5 percent in the first quarter of the year. Capital spending rose 7.6 percent, compared with a rise of 2.9 percent in the fourth quarter of 1988. In the first quarter of 1989, the U.S. merchandise trade deficit declined to 27.6 billion, the smallest deficit in four years. Exports grew by 7.3 percent and imports by a mere 0.3 percent.

Economic Growth

In the first quarter of 1989, the annualized rate of real economic growth of the U.S. economy was 4.3 percent. The real growth rate in the fourth quarter of 1988 was 3.0 percent in the United Kingdom, 3.4 percent in Canada, 2.7 percent in West Germany, 4.8 percent in Japan, and 3.8 percent in France. Real economic growth during the third quarter of 1988 was 3.9 percent in Italy.

Industrial Production

U.S. industrial production increased 0.4 percent in April after remaining unchanged in March 1989 and following a decline of 0.3 percent in February. Output increased in business equipment and consumer durables—mainly motor vehicles and materials. Production of construction supplies has sharply declined since January. Within the manufacturing sector, production of all major industries recorded gains, except primary metals and construction-related sectors. U.S. industrial production was 4.2 percent higher in April than in March 1988.

Average overall capacity utilization in U.S. factories, mines, and utilities increased 0.2 percent

from March to April 1989, rising to 83.9 percent. In manufacturing, capacity utilization increased slightly to 84.0 percent compared with 83.9 percent in March, and 84.2 percent in February.

Other major industrial countries reported the following annual growth rates of industrial production: during the year ending December 1988, Italy reported an increase of 11.0 percent; during the year ending February 1989, Canada reported an increase of 0.9 percent, France an increase of 4.4 percent, Japan an increase of 4.9 percent, and the United Kingdom an increase of 2.1 percent. During the year ending March 1989, West Germany reported an increase of 5.2 percent.

Prices

The seasonally adjusted U.S. Consumer Price Index rose 0.7 percent from March to April 1989, and 5.1 percent for the year ending in April. In the 1-year period ending in February 1989, consumer prices increased 1.0 percent in Japan; in the 1-year period ending in March, consumer prices increased 4.6 percent in Canada, 7.9 percent in the United Kingdom, 3.4 percent in France, and 6.4 percent in Italy. During the 1-year period ending in April 1989, consumer prices increased 3.0 percent in West Germany.

Employment

The seasonally adjusted rate of unemployment in the United States (on a total labor-force basis, including military personnel) increased to 5.2 percent in April 1989 from 4.9 percent in March. In February, the national statistical offices reported 10.0 percent unemployment in France, and 2.3 percent in Japan. In March 1989, unemployment rates were 7.5 percent in Canada, 7.7 percent in West Germany, 16.9 percent in Italy, and 6.7 percent in the United Kingdom. For foreign unemployment rates adjusted to U.S. statistical concepts, see the tables at the end of this issue.

Forecasts

Table 1 shows four major forecasters' newly revised macroeconomic projections for the U.S. economy in 1989 and the simple averages of these forecasts. The figures represent percentage changes over the preceding quarterly period at annual rates, except for unemployment, for which the annual rates themselves are projected. On the average, these sources forecast a decline in nominal and real GNP growth rates starting with the second quarter of 1989, and a slight increase in the unemployment rate in the third and fourth quarter of the year. The implied economic downturn is projected on grounds of expected moderation in the pace of consumer spending, slower growth of income, and a slowing down in export growth as the dollar appreciates in response to higher interest rates. Inflation (shown in the GNP deflator index) is projected to rise in the second quarter, and rise more slowly in the third and fourth quarters of 1989.

Table 1
Projected quarterly percentage changes of selected U.S. economic indicators, 1989

Indicator and quarter	*Data Resources Inc.*	*Merrill Lynch Economics Inc.*	*Wharton E.F.A. Inc.*	*UCLA Business Forecasting Project*	*Mean of 4 forecasts*
GNP:[1]					
January-March	7.6	9.5	9.2	9.2	8.9
April-June	6.8	7.5	7.8	7.6	7.4
July-September	4.3	5.2	6.0	2.7	4.5
October-December	4.9	4.8	4.9	2.4	4.2
GNP:[2]					
January-March	5.0	5.1	5.3	6.8	5.5
April-June	1.4	2.1	2.1	3.4	2.2
July-September	0.2	-0.3	1.4	-2.8	-0.4
October-December	1.2	-0.6	0.6	-2.0	-0.2
GNP deflator index:					
January-March	2.5	4.2	3.6	2.3	3.1
April-June	5.3	5.3	5.5	4.1	5.0
July-September	4.1	5.5	4.5	5.6	4.9
October-December	3.7	5.4	4.3	4.5	4.5
Unemployment, average rate:					
January-March	5.4	5.3	5.4	5.2	5.3
April-June	5.1	5.1	5.3	5.3	5.2
July-September	5.3	5.5	5.4	5.4	5.4
October-December	5.4	5.9	5.7	5.7	5.7

[1] Current dollars.
[2] Constant (1982) dollars.

Note.—Percentage changes in the forecast represent compounded annual rates of change from preceding period. Quarterly data are seasonally adjusted.

Source: Compiled from data presented in The Conference Board, *Statistical Bulletin*, vol.21, No.11, November 1988. Used with permission.

The IMF expects continued growth and moderate inflation in industrial countries in 1989 and 1990. The IMF also forecasts a rise in the 1989 U.S. current account deficit to $139 billion, and in the 1990 deficit to $157 billion. This is based on the expected slackening of the adjustment process as the impact of the 1985–87 dollar depreciation weakens. By the same token, surpluses in Japan and West Germany are expected to widen.

U.S. TRADE DEVELOPMENTS

The seasonally adjusted U.S. merchandise trade deficit fell to $8.9 billion in March from $9.8 billion in February, representing a decline of 9.2 percent. The March deficit was 7.3 percent lower than the $9.6 billion average monthly deficit registered during the previous 12 months, and was 9.2 percent lower than the $9.8 billion deficit registered in March 1988. During the period from April 1988 to March 1989, the deficit was highest in June 1988 ($11.7 billion) and lowest in July 1988 ($8.0 billion). In manufactured goods, the deficit declined 24.5 percent from February, to $7.1 billion in March, owing to a record monthly increase in exports over imports.

Seasonally adjusted total exports increased from February by $2.2 billion, to $30.8 billion in March. At the same time, imports rose by only $1.1 billion, to $39.6 billion. The largest percentage gains in exports of manufactures compared with those of a year earlier were registered in iron and steel (182 percent), aluminum (69 percent), metalworking machinery (42 percent), clothing and footwear (41 percent), printed matter (40 percent), and general industrial machinery (28 percent). The largest percentage increases in imports compared with those a year earlier were recorded in new cars from Japan (27 percent), general industrial machinery (15 percent) and telecommunications apparatus (12 percent).

The oil import bill increased from $3.3 billion in February to $3.7 billion in March. This was caused partly by the rise in average oil prices from $15.08 in February to $15.97 in March. The agricultural trade surplus increased from $1.5 billion to $2.1 billion.

From February to March, the United States experienced declining merchandise trade deficits with Canada from $811 million to $248 million, the East Asian NIEs from $1.8 billion to $1.2 billion, and Japan from $4.7 billion to $4.2 billion. The U.S. trade deficit with non-OPEC developing countries also shrank from $3.6 billion to $3.0 billion. Moreover, the U.S. trade balance with Western Europe swung from a $624 million deficit in February to a $397 million surplus in March, and the U.S. trade surplus with Eastern Europe and other selected areas grew from $40 million to $416 million.

However, the U.S. deficit with the OPEC widened from $844 million in February to $1.2 billion in March, and the deficit with West Germany grew from $543 million to $805 million.

INTERNATIONAL TRADE DEVELOPMENTS

United States and EC Reach Interim Agreement on Beef Trade

The United States-European Community (EC) dispute over the EC's ban on the sale of meat from animals treated with growth hormones marched a step closer to resolution in early May. Shipments of some U.S. high-quality beef to the EC should resume following an interim agreement reached May 3.

On January 1, 1989, the EC implemented its ban on imports of meats (beef, veal, sheep, and lamb) from animals raised with the aid of growth hormones despite strong U.S. efforts to overturn the ban (*IER*, January 1989). The ban halted virtually all U.S. exports of beef to the EC, with the exception of variety meats imported for pet food, which were exempted from the ban. Based on 1988 trade statistics, U.S. farmers were estimated to lose $130 million annually in meat exports to the EC because of the ban. On these grounds, the U.S. Government retaliated immediately by imposing 100-percent tariffs on EC food products worth close to $100 million. Meanwhile, the EC did not implement its planned counterretaliatory measures in order to provide further time to resolve the dispute (*IER*, March 1989). At a meeting on February 18–19, U.S. and EC officials agreed to establish a joint task force to work out the technical problems associated with U.S. exportation of hormone-free beef to the EC. The task force was granted 75 days to make its findings.

On May 3, one day before the 75-day deadline, U.S. and EC officials reached an interim agreement on how to set up a certification system to allow U.S. exporters to resume shipments to Europe of high-quality beef that is hormone free. Under the agreement, EC inspectors will examine feedlots of those producers interested in exporting to the EC and certify that the animals have not been treated with growth hormones. The U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) would be responsi-

ble for separating this hormone-free beef from uncertified beef at the slaughterhouse, but would take on no other new responsibilities. Reportedly, the single EC inspector already working in the United States will take on the full responsibility of certifying hormone-free livestock.

Despite the agreement, the task force will continue to meet in order to reach a final settlement. Still to be resolved is how to resume trade in variety meats for human consumption. (The inner organs, such as livers and hearts, and head meat of animals are referred to as variety meats or offals.) These meats, in low demand in the United States, account for about 70 percent of U.S. beef exports to the EC. However, the agreement is not expected to increase U.S. exports of these variety meats, since U.S. farmers may not have sufficient incentive to raise hormone-free livestock for the purpose of boosting trade in these products. Furthermore, a suitable export certification program may be too complicated to devise because of the practical difficulties inherent in keeping separate hormone-free and hormone-treated offals.

U.S. officials also argue that the agreement does not address the fundamental U.S. concern that the ban is an unfair barrier to trade. The United States argues that there is no scientific justification that growth hormones pose a health hazard, even though the hormone ban was implemented in response to consumer concerns over health risks. U.S. efforts to resolve this issue in the Standards Code have been consistently blocked by the EC.

The task force is scheduled to present a progress report by June 15 on the issue of trade in variety meats for human consumption. The task force is also expected to assess progress on the implementation of the interim measure by July 15. The U.S. Government is not expected to modify its retaliation list until trade actually resumes.

Korea to Lift Import Curbs on 243 Agricultural and Fishery Products by 1991

Strong U.S. pressure on the Republic of Korea (Korea) to open further its markets to foreign goods, particularly agricultural products, and Korea's equally strong reluctance to do so has been the cause of a longstanding trade friction between the two countries. Now Korea is taking measures to head off being designated by the United States as a "priority foreign country"—a country deemed to be using unfair trading practices, and subject to investigation and retaliation under the new and expanded section 301 provisions of the Omnibus Trade and Competitiveness Act of 1988. In April, Korea announced a three-year schedule to liberalize 243 farm, livestock, forestry, and fishery products by 1991. The United States Trade Representative will announce the list of designated priority countries by May 30th.

There are several major impediments to increased access to Korean markets by foreign goods. First, Korea's average tariff rate is relatively high at about 12.7 percent. Although this rate is an improvement over past average rates, it predominantly reflects reductions in tariffs for industrial goods. Korea's agricultural tariffs remain exceedingly high. Most fresh fruits and juices, for example, are subject to a 50-percent duty. Almonds are subject to a 40-percent duty. Second, all goods entering Korea require an import license. Although most goods receive automatic approval, a number of significant items remain restricted. Almost all of the restricted items are agricultural or related products and are either banned or subject to quotas. Quotas are currently applied to such products as beef, orange juice concentrate, feedgrains, and soybeans. (There is no current quota for peanuts.)

Moreover, Korea maintains a complex system of special laws that are intended to maintain coordination of trade and standards. Although some of these laws include internationally accepted controls for health and safety, others have been used as a tool of restrictive import policy, and they effectively discourage imports. For example, these laws have been invoked to cut seed imports during a period of surplus of domestically produced corn, and they empower the relevant ministries to ban imports when they wish to encourage domestic production.

Korean officials have said that they want better trade relations with the United States and other major trading partners, and will attempt to control the growth of their country's bilateral trade surpluses by promoting import liberalization, easing import restrictions, and expanding import subsidies. In 1988, Korea had the fifth largest bilateral trade surplus (over $9.4 billion) with the United States after Japan, Taiwan, West Germany, and Canada. Korean officials predict the new policies for expanding imports will help trim their 1989 surplus with the United States to $6.5 billion.

Sixty-two of the 243 newly liberalized products were requested by the United States. Import restrictions on another 57 products of interest to U.S. exporters will be lifted after 1991. Under the plan, import restrictions will be removed on 82 items this year, 76 items in 1990, and 85 items in 1991. However, in announcing the plan, Korean officials also said that import restrictions will continue for beef, apples, pears, oranges, pepper, garlic, onions, and staple food

grains such as rice and barley, to protect the domestic industries. Products to be liberalized under the three-year plan include wheat, grapes, canned peaches, canned sausages, fresh and frozen salmon, bananas, pork, strawberries, soybean oil, peas, kidney beans, alfalfa, peanut butter, vodka, duck meat, and frozen oysters.

Domestic resistance to liberalizing agricultural imports is usually very strong in Korea. To help make the plan more palatable to the nation's highly politicized farmers, the Korean Government plans to allocate $755 million to subsidize or compensate farmers for financial losses resulting from increased and cheaper imports. Low-interest loans will be available to help farmers replace their traditional produce with other crops. Restructuring the farming and fishery sectors to improve their international competitiveness will have high priority.

GATT Rules on U.S-Korean Beef Dispute

The United States successfully argued its case before a General Agreements on Tariffs and Trade (GATT) dispute panel that Korea unfairly restricts beef imports. The GATT decision—announced in May—that Korea must dismantle its restrictions on beef imports signals what should be closure on an issue that has dogged U.S.-Korean trade relations for a number of years.

The history of the beef dispute begins with Korea's import licensing practices. An import license is required for all Korean imports. Early last year, the American Meat Institute (AMI) filed a section 301 petition with the Office of the United States Trade Representative (USTR) alleging that Korea maintained restrictive import policies regarding bovine meat, including high quality beef. Since May 1985, Korea had prohibited all imports of beef with the exception of one shipment of 49 tons for the annual meeting of the International Monetary Fund in Seoul. AMI alleged in its petition that Korea's 3-year ban on beef imports violated article XI of the GATT, and otherwise unfairly restricted U.S. commerce. The USTR consulted with Korea under GATT article XXIII:1 and, on March 28, 1988, also initiated a section 301 investigation. Following bilateral negotiations, Korea agreed in July 1988 to resume beef imports but do so under a quota system, setting the quota at 14,500 tons for 1988 and 39,000 tons for 1989.

In May 1988, the GATT agreed to set up an arbitration panel to hear the dispute. In May of this year, the GATT panel ruled in favor of the United States that Korea could not justifiably maintain its restrictions on beef imports, and against Korean arguments that it needed to block beef imports for balance-of-payments reasons. The ruling requires Korea to establish a timetable for phasing out the import restrictions. Australia and New Zealand, both large beef producers, were also successful in their GATT cases against Korea's beef import restrictions.

Mexico, a Test Case for a New Approach to Third-World Debt Reduction

Foreign debt is increasingly seen these days as an intolerable and paralyzing burden on Third-World countries—a problem far more serious than had been regarded earlier. It is now generally recognized that Third-World debtor nations had to give up a decade of economic growth and endure a steep decline in their *per capita* income by having to allocate much of their hard-currency earnings to servicing foreign debt. What was once perceived as their liquidity crisis has finally been diagnosed as their insolvency. Recent social unrest in several Latin American debtor countries—including Brazil, Venezuela, and Peru—underlined the gravity of the problem, and triggered a search in the advanced industrial world for new forms of debt relief.

The United States has taken a new approach to the problem when Treasury Secretary Nicholas Brady proposed to make debt forgiveness part of the relief strategy—the first time this had ever been officially considered. The Brady plan, announced on March 10, expects commercial banks voluntarily to "forgive" some of the debt they are owed by Third-World countries. Forgiveness may involve technically a variety of options to be negotiated between the debtor nations and the banks. (Such options include schemes having the banks exchange existing loans for bonds with either a lower face value or a lower interest rate, and debt-for-investment swap programs.)

In addition to forgiveness, the Brady scheme calls for new commercial bank lending to debtor nations. Guarantees that the debtors will make their payments under new arrangements would be provided by the industrial countries' governments, and by international organizations, such as the World Bank and the IMF.

Among all Latin American countries, Mexico is regarded as the test case for the Brady concept. Mexico has been the most disciplined of all sovereign debtors. Since its debt crisis of 1982, Mexico has never defaulted on its payments of foreign debt, and has done by far the most to reform its economy. The Government of Mexico has faithfully followed the guidelines of the International Monetary Fund (IMF) in exchange for support; privatized several of its State-owned companies; opened up its once heavily protected

economy to trade and investment; and sustained an austerity regime which significantly reduced the country's budget deficit.

Predictably, the prolonged period of austerity depressed Mexico's economy, which has been stagnant for the last 6 years. Per capita income has been cut in half during these years (*IER*, November 1989), and standards of living have been set back to levels prevailing in the 1960's. According to Mexican officials, the country's debt-servicing outflow—estimated at $14 billion in 1989—would have to be reduced by some 50 percent to put the Nation solidly on the way of economic recovery. (The recent rise in interest rates by itself has reportedly increased Mexico's annual debt payments by more than $3 billion a year.)

Although such a drastic reduction of Mexico's debt-servicing burden does not seem possible, the Brady proposal already triggered a chain of events in a search for debt relief. On April 11, the IMF began considering a request by Mexico for $3.6 billion in new loans to be disbursed in 3 years. The IMF agreed to process Mexico's loan request with no new conditions attached, and no prior commitment from commercial creditor banks to any action—an action unprecedented in the international agency's history.

Formal negotiations followed beginning April 19 between Mexico and an advisory committee representing its commercial bank creditors to discuss possible avenues of debt relief. (Commercial banks are owed some 75 percent of Mexico's total foreign debt, which exceeds $100 billion.) It is believed that with IMF backing and the prospect of financial guarantees raised in the Brady scheme, Mexico entered these talks from a position of some strength.

However, the negotiations are off to a slow start as the bankers reportedly object to the magnitude of the relief proposal tabled by Mexico. Progress is also hampered by uncertainty about what type of guarantees the banks will get from the IMF and the World Bank to assure continued payment once they will have agreed to make new concessions to Mexico.

The outcome of these talks will be of critical importance for Mexico since it will largely determine the Salinas de Gortari Government's economic policy beginning in the second half of the year. On July 31, Mexico's "Pact of Economic Solidarity" will end. This anti-inflationary wage and price controls' program was launched in December 1987 under Mexico's previous administration. Although successful in reducing inflation, the program predictably created major distortions within the economy. Among others, the long-term freeze of the peso's exchange rate led to the overvaluation of the currency against the dollar, hampering the export industries on which Mexico has staked its economic future. An effective debt relief program might enable the Mexican Government to support the peso, remove price and wage controls, and thus open the gate to economic recovery without a renewed burst of inflation.

The current negotiations are also seen as a key to possibly improving the outlook on Third-World debt in general. The banks are doubtlessly keenly aware that any relief to be granted to Mexico in the future would trigger an avalanche of requests for relief by other sovereign debtors with whom they have had major difficulties in doing business in the past.

Soviet Bloc Gropes for New Trade Regime and Contacts With Europe

One year after the declaration by the Council for Mutual Economic Cooperation and Development (CEMA) that it wants to develop a unified market over the period 1991–2005, the prospect of further economic integration in the Soviet bloc remains elusive. (The CEMA countries are the Soviet Union, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, and 3 non-European countries Cuba, Mongolia, and Vietnam.) CEMA's recent Executive Committee meeting in Moscow was marred by deep ideological divisions among the member states over the economic reforms required by the unification plan. Many of them also fear that, with further integration, Soviet influence within the group would assert itself even more strongly than under existing conditions.

The unification plan, announced in June 1988, pushes for multilateral instead of bilateral trade, and for trade among enterprises in pursuit of profit instead of trade planned by the state. It also envisages a closer integration of CEMA with the world economy. To carry out the plan, member States will gradually have to deregulate domestic prices; allow individual firms to interact directly with other CEMA firms, as well as with Western firms; to form transnational associations; and move their capital across national frontiers. They will have to introduce a limited convertibility among their currencies, make the transferable ruble (which at present is a mere unit of accounting in CEMA trade) a convertible currency, and develop a CEMA-wide credit system.

Romania never endorsed the unified market plan. In addition, according to many analysts, during the one-year preparatory period the plan has also met subtle political and ideological resistance by Czechoslovakia, East Germany, CEMA's non-European fringe, and conservative political forces in the rest of the bloc.

Nonetheless, the causes that brought about both the Soviet Bloc's economic reform movement, and the plan to reform CEMA in the first place, have become more compelling over the

past year. Most obvious are the growing gap in technology and living standards in comparison with that in the West; the relatively slow economic growth without improvement in economic structure; the external payments constraints limiting the opportunity of industrial modernization; the failure of CEMA's earlier plans to solve these problems during the 1980's; and a general sociopolitical malaise.

Progress towards economic integration in the European Community (EC) is the most immediate external factor effecting change within CEMA. This factor has grown in importance over the past year. The EC's success at pooling national resources for the benefit of all EC member States is fast becoming a reality as 1992 approaches. This creates the perception in the bloc that capitalist economies can do it, but socialist economies can not. In addition, the EC's apparent willingness to seek closer links with individual CEMA countries threatens CEMA's current level of cohesion.

After ignoring and distrusting one another for decades, EC and CEMA signed a declaration of mutual recognition in June 1988. Since then, they have begun to explore the possibilities of cooperation in environmental protection, transportation, nuclear power generation, statistical and industrial standardization, and technological development. Following mutual recognition, the EC concluded a comprehensive bilateral trade and cooperation agreement with Hungary and began negotiations with the Soviet Union, Bulgaria, Czechoslovakia, East Germany, and Poland towards similar agreements. (The EC concluded a bilateral agreement with Romania in 1980.) These trade agreements are expected to greatly reduce restrictions on EC imports from Eastern Europe and the Soviet Union. In return, the EC presses for the elimination of discriminatory import practices in any given CEMA country, and for the creation of conditions that would allow profitable operations for EC firms there. This includes legal protection of intellectual property, and limitations on demands for barter and countertrade.

The rapprochement has prompted some talk—in both Eastern and Western Europe—about building a "Common European House" through integration between EC and CEMA. But the prospect of that happening is beyond the visible horizon. Fundamental differences in economic organization and political institutions between the EC, which is composed of industrial democracies and the CEMA, which is composed of communist-controlled nonmarket economies, cannot be negotiated away.

There are fundamental dissimilarities between the two regional organizations. Brussels' central control over the daily life of industry and agriculture in the member States is direct and growing. In contrast, the central apparatus in Moscow does not directly involve itself with the daily functioning of the member States' economies. Rather, it exerts its influence through making forecasts and developing plans to be built into national plans. These, in turn, serve as bases for concluding annual bilateral trade protocols among the member States. Thus, CEMA's central control over the daily functioning of the member States' economies is indirect and also diminishing because central planning is taken less and less seriously by several member States.

In addition, the EC's central decisions are supported and guided by the members states frequent cabinet-level meetings and the European Parliament. In contrast, cabinet-level meetings in CEMA are infrequent and CEMA decisions are heavily influenced by the Soviet Union's overwhelming weight among the members. Also, the EC's central apparatus operates from a significantly larger budget than that of the CEMA, even in proportion to the member countries' aggregate outputs. Finally, the EC has the power to negotiate commercial agreements and CEMA does not.

Notably, among the three major Western industrial powers—the United States, EC, and Japan—the EC trades the most with CEMA. In 1988, merchandise trade turnover between the EC and CEMA was roughly $50 billion, whereas Japan-CEMA trade amounted to $7 billion, and U.S.-CEMA trade to $6 billion.

The changes in Europe could provide U.S. businesses with new opportunities to increase sales to both the EC and the CEMA. According to reports, several U.S. firms are considering the development of export bases in CEMA, particularly in Eastern Europe, to access the post-1992 EC market. Hungary and Poland, both desperately in need of Western capital to pay their debts, are the most willing to accommodate U.S. businesses. Czechoslovakia and East Germany lag behind these two countries in creating acceptable conditions for resident U.S. businessmen. Since the EC will retain the protocol on trade between East and West Germany after 1992, East Germany would be a very strong contender for U.S. firms if it finally decides to join the Soviet Union and most of Eastern Europe in welcoming Western capital.

Drastic Drop in GSP Duty-Free Imports Likely in 1989

The U.S. Generalized System of Preferences (GSP) program is a temporary tariff preference scheme designed to help developing countries become more competitive in U.S. markets and to diversify their economic structures by offering duty-free treatment to designated articles im-

ported from beneficiaries. The U.S. scheme is one of 27 preference programs in operation worldwide. In the U.S. GSP program, imports of approximately 3,000 products from 140 beneficiaries are eligible for duty-free treatment. However, mandatory and discretionary exclusions limit that treatment on a product and country basis. Critics contend that product and country restrictions undermine the GSP in terms of its benefits and basic principles and have significantly changed the scope of the U.S. GSP program.

In 1988, imports worth $50 billion could have entered the United States duty free under the GSP had program restrictions not existed. As in previous years, slightly over one-half of the "GSP-eligible" imports ($25.9 billion) were excluded from duty-free access because of mandatory or discretionary restrictions limiting product coverage for individual beneficiaries. Out of the remaining "GSP-eligible" imports, 18.4 billion dollars' worth entered the United States duty-free under the GSP program. As a result of its most recent (1988) annual review of the GSP program, the United States Trade Representative (USTR) announced that an additional 233.5 million dollars' worth of "GSP-eligible" imports from individual beneficiaries will be excluded from GSP duty-free treatment in 1989 and $19.5 million dollars' worth of trade will gain duty-free access for a net reduction in duty-free trade of $214 million.

The GSP product restrictions were ostensibly created to provide greater opportunity in the program for less economically developed beneficiaries by limiting the duty-free shares of advanced beneficiaries. Opponents of the product exclusions, however, claim that the restrictions are, instead, a form of protection for domestic producers. In fact, there is no evidence to support the contention that GSP product exclusions boost the import shares of the less advanced program beneficiaries. In its eleventh general report on the GSP programs of advanced industrial countries, the United Nations Conference on Trade and Development (UNCTAD) concluded that "advanced industrialized countries tend to capture the market shares lost by countries subject to tariff increases rather than the less competitive developing countries."

A more dramatic development affecting the scope of the U.S. GSP program, however, is the recent increase in the number of countries that have lost their beneficiary status entirely. In July 1988, Bahrain, Bermuda, Brunei Darussalam, and Nauru, were removed from the GSP program for exceeding the allowed level of GNP per capita. Panama lost its beneficiary status the same year because it failed to adequately cooperate in efforts to halt drug trafficking. Under the amended GSP, which became effective in January 1985, decisions relating to a country's product-specific benefit levels and overall eligibility must include a consideration of that country's market access for U.S. goods, its protection of intellectual property rights, and its foreign investment and trade regulations. An additional requirement, consideration of the beneficiary's labor practices, has already led to the removal of six beneficiaries from the program. Since 1986, the labor practices of at least 15 countries have been investigated, resulting in the suspension of GSP eligibility for Romania, Nicaragua, and Paraguay in 1987; Chile in 1988; and Burma, and the Central African Republic in 1989. A review of workers' rights in Haiti, Liberia, and Syria is ongoing. The USTR is also in the process of reviewing the eligibility status of Venezuela, following a petition alleging that, in 1975, its government expropriated property owned by a U.S. corporation without compensation. More investigations, primarily relating to labor practices, are anticipated in the 1989 GSP annual review.

The most significant cut in the size of the program, however, occurred on January 2, 1989, when four of the leading GSP beneficiaries—Taiwan, South Korea, Hong Kong, and Singapore—were officially removed from the program because of their economic advancement. The exclusion of these four Asian Newly Industrialized Economies (NIEs) represents a considerable reduction in the size of the U.S. GSP program. Last year, these beneficiaries accounted for over one-half of the 18.4 billion dollars' worth of duty-free imports that entered the United States under GSP.

With the removal of the four Asian NIEs from the program, Mexico and Brazil have become the top two GSP beneficiaries followed by Thailand, Malaysia, and the Philippines. Last year, Mexico and Brazil together accounted for over 40 percent of the value of U.S. GSP imports, excluding the four Asian NIEs. The value of duty-free imports entering the United States under GSP from each of the new top five beneficiaries increased substantially last year, with growth rates ranging from 26 percent for Brazil to 83 percent for Malaysia. However, as these countries assume their roles as the program's top beneficiaries they will no doubt undergo increasing scrutiny. Thailand is already facing stiffer product exclusion limits for certain articles eligible under GSP as a result of an ongoing dispute with the United States over its lack of protection of intellectual property rights.

The removal of the Asian NIEs has drastically reduced the expected level of GSP duty-free imports for 1989 and beyond. Although GSP duty-free imports from the program's new top five beneficiaries displayed strong growth rates last year, these beneficiaries can also expect a greater

number of product exclusions in the future. More so than the product exclusions, however, it is the wholesale removal of beneficiaries from the program that has dramatically reduced its total level of duty-free imports and brought into question its ability to achieve the original development objectives of the GSP program.

USTR Releases National Trade Estimate Report on Foreign Trade Barriers

On April 28, 1989, the Office of the United States Trade Representative (USTR) released its fourth annual National Trade Estimate Report on Foreign Trade Barriers (NTE report), as required by section 1304 of the Omnibus Trade and Competitiveness Act of 1988. The report identifies by country significant foreign trade and investment barriers to U.S. exports of goods, services; to investment; and the absence of intellectual property protection. It also describes action taken by the U.S. Government, or still needed, to deal with these issues.

As required under the new law, USTR also estimated, when feasible, the value of additional U.S. goods and services that would have been exported, or foreign investment that would have taken place, but for these foreign barriers. For the first time, the report also contains appendixes that list barriers to auto imports by automobile-producing nations, and the impact of these measures upon the U.S. market. A review of market-access barriers in the financial services sector is also included.

The report's release was eagerly anticipated by a number of U.S. industries which are alleging barriers to trade and investment in several countries. Conversely, foreign officials and industries in these countries that feared inclusion in the report have awaited the release with apprehension.

The NTE report provides the foundation for U.S. action in dealing with unfair trading partners. USTR will use it as one of its main resources in evaluating "priority practices," i.e., major foreign barriers and trade-distorting practices whose elimination is most likely to increase U.S. exports. The report will also be used to name the "priority countries" that will be subject to possible retaliation under the Super 301 and Special 301 provisions of the 1988 Omnibus Trade Act. (In naming a "priority country" USTR must take into account the number and pervasiveness of the allegedly restrictive acts, policies, and practices.) The Super 301 provision targets nations whose trade barriers encompass a number of objectionable trade practices, and the Special 301 measure is aimed at those nations' whose intellectual property protection is insufficient.

The USTR procedure will consist of three steps. As a first step, by May 30 USTR must identify the priority foreign trade practices and priority foreign countries, estimate by how much U.S. exports to each priority country would have increased during the prior calendar year in the absence of the objectionable practices, and submit a report to Congress. As a second step, by June 20 USTR must self-initiate individual section 302 investigations on the priority practices of the priority countries identified in May, and request consultations with the foreign governments involved. The goal is to eliminate these practices through negotiations over the next 12 to 18 months. The third step does not take place until April 30, 1990. At that time, if agreements have not been reached or progress has not been made toward the elimination of the practices in question, the President may retaliate under section 301.

The NTE report identifies foreign trade barriers as government-imposed measures and policies that restrict, prevent, or impede the international exchange of goods and services. The report arranges these barriers into eight different categories, including import policies; standards, testing, labeling, and certification; government procurement; export subsidies; lack of intellectual property protection; barriers to services, investment, and other barriers.

The types of practices and distortions identified include those consistent with international trading rules (such as tariffs) and those inconsistent with them, and describes necessary administration action to eliminate these barriers. Thirty-four countries and two regional trading groups are profiled. Seven countries were dropped since the last NTE report because their previously identified barriers had been eliminated or are not now considered significant. One country, Egypt was added.

Even before the NTE report was issued, the value estimates that USTR was required to provide came under scrutiny. A U.S. administration official was quoted as saying that "Congress gave us a law that can't be implemented.....and that the estimates could not be made." USTR noted in the foreword to the report that all estimates are approximations, explaining how they were derived. The estimates are very likely to be strongly criticized by the foreign countries covered in the report.

The single largest country section, with 18 out of 188 pages detailing over 30 barriers, is devoted to Japan. The following list, although not complete, includes products and practices that have been subject to consultations during the past year: feedgrains, rice, telecommunications, su-

percomputers, satellites, government procurement, patents, construction, semiconductors, optical fibers, auto parts, and the distribution system. The length of the list, which will be used in identifying Japanese priority practices under the Super 301 provision, puts Japan in an awkward position. The Government of Japan, anticipating that many of its practices will be identified as offensive, has been heavily lobbying the U.S. Government to forestall being named in the Super 301 list.

Reaction from the countries cited in the report was immediate. Japanese officials called the report "regrettable" and said that it highlighted deep misunderstandings between the two trading partners. As it has done in the past, Japan plans to conduct a thorough review of the report, and submit a rebuttal to the U.S. Government. The EC released a statement noting that the U.S. report "is under careful consideration," and expressed concern about how the report will be used.

GATT Services Negotiations Progressing

After nearly two years of discussions on procedural and definitional matters, GATT negotiators trying to develop multilateral rules governing trade in services have turned their attention to the applicability of GATT principles to individual services sectors. At a meeting of the Group for Negotiations on Services (GNS) in April, delegates agreed to a timetable for the examination of specific service sectors. Sectors slated for examination by the group are telecommunications, construction, transportation, tourism, professional, and financial services.

Study of telecommunications and construction services will begin with the June meeting of the GNS. Transportation and tourism are on the agenda for a July meeting, and professional and financial services for a September meeting. During the sectoral examination, delegates will consider general GATT concepts of liberalizing international trade, such as national treatment and transparency, in the context of each particular sector. The purpose of the exercise is for negotiators and the GATT Secretariat to evaluate the relevance and applicability of various concepts and rules to the sectors. As part of the evaluation, the GATT Secretariat will draft background papers and prepare questions for discussion at the meetings.

The GNS is trying to establish a multilateral framework of principles and rules and create disciplines for individual service sectors with the goal of expanding and liberalizing services trade. At the Montreal mid-term review of the Uruguay Round, delegates agreed to a framework for guiding negotiations through their final two years. That agreement created a work program and a timetable for the negotiations. It established key principles for negotiations to focus on, including national treatment, transparency, nondiscrimination (most-favored-nation treatment), and market access. It also allowed for negotiations to begin on sectoral coverage of a framework agreement.

Although not explicitly identified in the list of sectors for study, maritime services are expected to be included in the GNS examination of the transportation sector. However, a coalition representing numerous U.S. maritime industry interests took exception to the proposal, urging the Bush administration "not to propose, and not to accept" inclusion of maritime services in any final outcome of the Uruguay Round. The group said that the framework agreement negotiated at the Montreal mid-term review of the Uruguay Round "sets forth numerous principles inimical to a strong, viable American merchant fleet." In addition—the group argued—an agreement to liberalize trade in maritime services "would jeopardize longstanding existing promotional laws and programs" that benefit the U.S. maritime industry (such as the 1920 Jones Act, which limits domestic water commerce to U.S. flag vessels.)

GATT Panel Ruling Challenges U.S. Patent Law Enforcement

A GATT dispute running since 1987 between the United States and the EC on section 337 of U.S. law is at a critical juncture as a panel ruling in favor of the EC position is under consideration at the GATT Council. The United States has blocked adoption of a report in every monthly Council meeting held since it was first considered in February. The panel report criticized the application of section 337 of the Tariff Act of 1930 dealing with imports of products that violate U.S. patents. In the May Council meeting, other GATT members expressed their discontent with the continued U.S. refusal to allow adoption of the report.

The dispute stemmed from an investigation under section 337 in which aramid fiber imported from the Netherlands was found to infringe on a valid U.S. patent. The investigation, which was conducted by the U.S. International Trade Commission in 1985 (Inv. No. 337-TA-194), ended with the issuance of a limited exclusion order. The product in question was being shipped to the United States by Akzo, a Dutch firm, and it became subject to a patent dispute with the U.S. firm of E.I. du Pont de Nemours.

In early 1987, the EC held consultations on this issue with the United States under GATT auspices. In June 1987, the EC informed the Council that consultations had not succeeded in

resolving the dispute. In July, the EC requested the Council to establish a panel, arguing that section 337 procedures violated national treatment provisions of the GATT because goods imported to the United States were subjected to different procedures and standards than domestically produced goods. The cases involving patent infringement for products produced in the United States are resolved in U.S. Federal District Courts rather than through the section 337 procedures administered by the U.S. International Trade Commission for imported products.

In October 1987, the Council agreed to the EC request for the panel that began its meetings in 1988. As the case progressed, the EC complaint specifically regarding aramid fibers took a back seat owing to an arrangement reached between the two firms. The EC complaint regarding the more general aspects of violation of national treatment obligations remained at issue.

After almost yearlong deliberations, the panel found that the treatment of alleged violations under section 337 procedures was less favorable than that accorded by U.S. Federal Courts, thus imported products alleged to violate a U.S. patent received less favorable treatment than domestic products. In view of these considerations, the procedures violate national treatment provisions of GATT article III:4 that prohibit discriminatory treatment of imported products. The panel also examined whether the section 337 procedures could be justified under GATT article XX(d) on grounds of ensuring compliance with other GATT-consistent laws. The panel found that the provisions were not "necessary" to protect U.S. patent rights.

The GATT panel report comes at a time when concern over trade in pirated or counterfeit products is a high priority both in the administration and on Capitol Hill. Trade-related aspects of intellectual property (TRIP) are a subject of the Uruguay Round negotiations in which the United States is a leading player. The new trade law passed in 1988 amended some aspects of section 337, including dropping the requirement of proof of injury of the domestic industry. The 1988 trade act also added a popular provision to section 301, known as "special 301" that strengthens the U.S. Government's ability to deal with countries that do not enforce intellectual property rights. A report on countries to be identified as the most serious offenders under "special 301" is due to be released by the United States Trade Representative at the end of May.

The recommendations of the GATT panel urged the Contracting Parties to request the United States to bring its patent infringement enforcement procedures into conformity with GATT obligations. Notably, panel findings and recommendations do not stand on their own but must be adopted by consensus of the GATT Contracting Parties to be put into effect. U.S. acceptance of the report would probably require the United States to consider ways to amend section 337 to respond to the panel's concerns.

When the report was first considered in February, the EC supported the panel ruling, but did not press for immediate adoption. The United States and a few other countries requested the opportunity for further study of the report, and its implications for both domestic law and Uruguay Round discussions. However, by the May Council meeting, as many as 20 GATT members spoke against the continued U.S. stalling of the reports' adoption. Major U.S. trading partners such as Japan, Canada, and Australia joined the EC in its criticism of the U.S. position. The United States did provide GATT members with a paper containing its arguments against the panel ruling, but the EC maintained that the U.S. arguments "misrepresent" the panel findings.

GATT Secretariat Readies for Trade Policy Reviews

Action is already underway to implement the Trade Policy Review Mechanism (TPRM) agreed to by Uruguay Round negotiators at the close of the Mid-term Review talks in April. Arthur Dunkel, GATT Director General, began by establishing a Trade Policies Review Division within the GATT Secretariat. The Trade Policies Review Division will be responsible for providing the staff services and background information Contracting Parties will need to conduct the reviews. The United States is slated to be the first country whose trade regime is up for review.

The Uruguay Round was launched in 1986 amid growing protectionist pressures and concern that the GATT was not working effectively. The Contracting Parties agreed that there was a need for the improvement of the international economic environment. Critics hoped that a strengthened multilateral trading system would expand and further liberalize world trade. As the work of the Uruguay Round negotiating group on the functioning of the GATT system got underway, negotiators urged regular surveillance of the trade policies of GATT member countries as one method for strengthening the GATT as an institution.

As for the TPRM, trade ministers expect it to encourage the improved adherence by all contracting parties to GATT rules, disciplines, and commitments. The multilateral trading system would thereby achieve smoother functioning through greater transparency in, and understanding of, the trade policies and practices of contracting parties. In operation, the review

mechanism consists of an examination of the impact of a contracting party's trade policies and practices on the multilateral trading system. This will be accomplished by the periodic filing by each member, and review by the Contracting Parties, of comprehensive reports that will describe trade policies and practices. The mechanism, though, will not be a basis for the enforcement of specific obligations under the GATT or a substitute for dispute settlement procedures.

The frequency of a review will be determined by the country's share of world trade in a recent representative period. The first four countries to be reviewed will be the United States, the European Community (as one member), Japan, and Canada. They will be subject to evaluation every two years. The next 16 members will be examined every four years and the remaining members will be the subject of review every six years. The least developed countries, though, may have a longer period of time between reviews.

TPRM sessions will be carried out by the GATT Council at periodic special meetings. Discussions will take into account relevant economic and developmental needs, policies and objectives of the contracting party concerned, as well as the external economic environment. At the Council meetings, the country under review will prepare its own analysis of its trading regime. Another report will be drawn up by the Trade Policies Division of the Secretariat, based on the information available to it and the information provided by the country under review. The Secretariat can also seek clarification from those countries interested in a particular country's trade policies and practices. The reports by the contracting party under review and by the Secretariat, together with the summary record of the respective Council meeting, will be published after the review.

Other proposals to strengthen the GATT system included the convening of ministerial-level sessions of the Contracting Parties on a more frequent and regular basis, and better coordination between the GATT and other multilateral economic institutions such as the IMF and the World Bank.

The trade ministers also agreed that, in addition to the enhanced surveillance of members' policies, an overview of developments in the international trading environment that have an impact on the multilateral trading system was necessary. The Council, therefore, will be assisted by the Director-General in highlighting significant policy issues affecting the trading system.

STATISTICAL TABLES

Industrial production, by selected countries and by specified periods, January 1986–February 1989

(Percentage change from previous period, seasonally adjusted at annual rate)

Country	1986	1987	1988	1987	1988				1988			1989	
				IV	I	II	III	IV	Oct.	Nov.	Dec.	Jan.	Feb.
United States	1.1	3.8	5.7	7.1	4.0	4.5	7.1	4.5	6.2	4.4	4.4	5.3	0
Canada	.8	2.7	4.2	4.4	4.1	3.7	4.4	2.6	0	6.7	0	5.7	0
Japan	-.3	3.4	9.4	15.7	13.5	-1.0	10.2	9.9	-11.8	39.5	11.9	11.8	-15.8
West Germany	2.2	.2	3.1	2.9	9.9	-.3	6.4	2.9	-22.8	9.5	33.4	15.2	-1.1
United Kingdom	2.3	3.4	3.8	3.8	-1.3	5.8	5.5	.1	-6.3	7.8	-5.3	-12.3	-3.2
France	.9	2.2	4.3	3.9	2.6	2.5	13.1	-2.4	-35.6	55.3	0	11.4	-10.2
Italy	3.8	2.6	5.9	14.0	10.0	-2.1	15.6	12.4	1.1	11.5	16.5	-29.5	0

Source: *Economic and Energy Indicators*, U.S. Central Intelligence Agency, May 5, 1989.

Consumer prices, by selected countries and by specified periods, January 1986–March 1989

(Percentage change from previous period, seasonally adjusted at annual rate)

Country	1986	1987	1988	1987	1988				1988			1989		
				IV	I	II	III	IV	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
United States	1.9	3.7	4.1	3.6	3.4	4.8	4.7	4.4	5.1	3.0	4.1	7.2	5.1	6.1
Canada	4.2	4.4	4.0	3.5	3.4	4.3	4.4	3.9	4.7	2.2	2.1	7.6	5.7	6.3
Japan	.6	.1	.7	1.1	-2.1	2.8	.7	3.1	6.0	-4.6	-3.5	-2.3	-3.5	7.3
West Germany	-.2	.3	1.2	0	.7	1.9	1.9	1.8	.6	2.9	1.3	9.0	4.7	3.2
United Kingdom	3.4	4.1	4.9	4.9	2.7	6.5	6.6	8.3	11.7	4.0	6.1	8.9	7.8	7.3
France	2.5	3.3	2.7	2.4	2.3	2.9	3.8	3.0	2.7	2.3	3.6	3.7	3.8	3.7
Italy	6.1	4.6	5.0	5.7	3.4	4.8	5.9	6.6	6.4	8.1	5.9	6.6	8.8	7.2

Source: *Economic and Energy Indicators*, U.S. Central Intelligence Agency, May 5, 1989.

Unemployment rates,[1] by selected countries and by specified periods, January 1986–March 1989

(In percent)

Country	1986	1987	1988	1987	1988				1988			1989		
				IV	I	II	III	IV	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
United States	7.0	6.2	5.5	5.9	5.7	5.5	5.5	5.3	5.3	5.4	5.3	5.4	5.1	4.9
Canada	9.6	8.9	7.8	8.2	7.8	7.7	7.8	7.7	7.9	7.9	7.7	7.5	7.6	7.5
Japan	2.8	2.9	2.5	2.7	2.7	2.5	2.6	2.4	2.5	2.4	2.3	2.4	[2]	[2]
West Germany	7.0	6.9	7.1	7.0	7.1	7.2	7.1	7.0	6.9	7.0	6.8	6.5	6.4	6.2
United Kingdom	11.2	10.3	8.3	9.5	9.0	8.6	8.0	7.6	7.8	7.6	7.3	7.1	6.9	6.8
France	10.6	10.8	10.5	10.6	10.6	10.5	10.6	10.4	[2]	10.3	10.5	10.5	10.4	10.4
Italy	7.5	7.9	7.9	8.1	7.9	7.9	8.0	7.9	[2]	[2]	[2]	7.6	[2]	[2]

[1] Seasonally adjusted; rates of foreign countries adjusted to be comparable with U.S. rate.

[2] Not available.

Note.—Italian unemployment surveys are conducted only once a quarter, in the first month of the quarter.

Source: Statistics provided by Bureau of Labor Statistics, U.S. Department of Labor, May 1989.

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